

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**June 8, 2001**

<b>IN RE:</b>	)	
	)	
<b>ALL TELEPHONE COMPANIES TARIFF</b>	)	<b>DOCKET NO.</b>
<b>FILINGS REGARDING</b>	)	<b>97-00409</b>
<b>RECLASSIFICATION OF PAY</b>	)	
<b>TELEPHONE SERVICE AS REQUIRED BY</b>	)	
<b>FEDERAL COMMUNICATIONS</b>	)	
<b>COMMISSION (FCC) DOCKET 96-128</b>	)	

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**ORDER REMANDING DOCKET TO PRE-HEARING OFFICER**

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This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference held on May 15, 2001, at which time the Directors considered the comments filed by the Tennessee Payphone Owners Association ("TPOA") on May 11, 2001.

On March 6, 2001, United Telephone Southeast, Inc. ("UTSE") filed its revised payphone cost study as ordered by the Authority.<sup>1</sup> On April 19, 2001, the Authority issued a data request asking UTSE to "re-compute the cost of payphone loops and services utilizing rate of return inputs that are consistent with those determined appropriate for the Universal Service cost study."<sup>2</sup> On April 24, 2001, the Authority issued a Notice of Filing that requested the parties file responses to UTSE's revised

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<sup>1</sup> *Order Approving Tariff No. 01-00003 Filed on December 29, 2000 as revised on January 11, 2001, Approving Tariff No. 01-00004 Filed on January 2, 2001, and Granting Motion for Extension*, p. 4 (Feb. 23, 2001).

<sup>2</sup> Authority Data Request to UTSE (Apr. 19, 2001).

payphone cost study and/or supplemental information by Friday, May 11, 2001. On May 1, 2001, UTSE filed a second revised cost study in response to the Authority's data request. TPOA filed its comments to the second revised cost study on May 11, 2001.

In its comments, TPOA notes the significant differences in the pay telephone access service ("PTAS") line rates proposed by UTSE and the rates that have been approved by the Authority for BellSouth Telecommunications, Inc. ("BellSouth"), Citizens Telecommunications Company of Tennessee, and Citizens Telecommunications Company of the Volunteer State (collectively "Citizens"). TPOA asserts that UTSE's proposed PTAS rate is "approximately twice the line rates approved for BellSouth and Citizens."<sup>3</sup> Because of the disparity, TPOA contends that the Authority should conduct a thorough review of UTSE's cost study before setting UTSE's rates and that the "only practical means of conducting this review . . . is to allow the parties to conduct discovery and, if necessary, an evidentiary hearing."<sup>4</sup> Based on these contentions, TPOA requests the Authority "set a procedural schedule which will allow the parties to develop and present evidence concerning whether the rates proposed by [UTSE] are consistent with the TRA-approved rates of BellSouth and Citizens and whether [UTSE's] rates are otherwise consistent with applicable federal law."<sup>5</sup>

Based upon a review of UTSE's revised cost studies and TPOA's comments, the Authority finds that good cause exists for further review of the methodology used in UTSE's revised cost studies. Accordingly, the Directors voted unanimously to remand this docket to the Pre-Hearing Officer for the purpose of setting a schedule for further

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<sup>3</sup> *Comments of the Tennessee Payphone Owners Association*, p. 1 (May 11, 2001).

<sup>4</sup> *Id.* at 3.


<sup>5</sup> *Id.*

discovery. The Authority also voted unanimously to await the completion of discovery before determining whether to convene further hearings in this docket.

**IT IS THEREFORE ORDERED THAT:**


Docket No. 97-00409 is remanded to the Pre-Hearing Officer for the purpose of setting a schedule for discovery and resolving discovery disputes. At the conclusion of discovery, the Authority will determine whether an evidentiary hearing is necessary.

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary